

THE STATE OF ARIZONA  
ARIZONA STATE PARKS BOARD

TRANSCRIPT OF AUDIO RECORDED TELEPHONIC PUBLIC MEETING

Phoenix, Arizona

August 16, 2013  
10:00 a.m.

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A PUBLIC MEETING, BEFORE THE ARIZONA STATE PARKS BOARD,  
convened on August 16, 2013, at the State Parks offices  
located at 1300 West Washington Street, Phoenix, Arizona.

APPEARANCES:

(Note: No official roll call made)

Mr. Larry Landry, Chairman  
Mr. Bryan Martyn, Director  
Mr. Walter Armer, Jr., Board Member  
Ms. Kay Daggett, Board Member  
Mr. Kent Ennis, Deputy Director  
Mr. Alan Everett, Board Member

OTHERS PRESENT:

Mr. Paul Katz, Assistant Attorney General  
Mr. R.J. Cardin, Maricopa County Parks and Recreation

1 MR. CHAIRMAN: I will call the meeting to  
2 order, and since I don't have an Agenda in front of me,  
3 Mr. Director, will you just read the Agenda items and  
4 we'll go through them.

5 MR. MARTYN: Yes, Mr. Chairman. Mr. Chairman,  
6 I call to order roll call real quick and we've already  
7 accomplished the roll call. Kelly has identified who is  
8 in the meeting. You do have a quorum. Pledge of  
9 Allegiance is on the Agenda, so we'll knock that out real  
10 quick.

11 (Pledge of Allegiance from members)

12 MR. MARTYN: Mr. Chairman, Item C includes an  
13 introduction of Board Members and Agency staff.  
14 Everybody that's in the room is familiar with the Board.  
15 If you would like to forego that.

16 MR. CHAIRMAN: Yes, I'll forego that. And is  
17 there anybody there for call to the public?

18 MR. MARTYN: Mr. Chairman, at this time there  
19 is nobody here for call to the public and request that  
20 you close the call to the public.

21 MR. CHAIRMAN: Close that and move on to the  
22 next item.

23 MR. MARTYN: Item E are Board action items.  
24 Discuss and consider submitting a letter from the Board  
25 to the League of Arizona Cities and Towns regarding their

1 proposed resolution, it's attached, to develop and pass  
2 legislation, potentially impacting Arizona State Parks  
3 and the Arizona State Park Heritage Fund Services.

4 MR. CHAIRMAN: Would you explain the issue, Mr.  
5 Director?

6 MR. MARTYN: I'm happy to, Mr. Chairman. Thank  
7 you. Mr. Chairman and Board Members, currently the  
8 leaders of (indiscernible) has a number of proposals.  
9 The number is 20, there's actually 19 proposals and they  
10 are meeting this week. Resolution No. 12 includes a  
11 proposal I will read.

12 "To develop and pass legislation to insure the  
13 viability of Arizona State Parks, including but not  
14 limited to allowing the municipalities to enter into  
15 long-term leases of State Parks and the restoration of  
16 the Arizona State Park Heritage Fund."

17 It is the opinion of staff and myself, that  
18 although somewhat innocuous sounding, the language that  
19 is referenced here as "long-term leases," is problematic  
20 to State Parks, as it basically will allow a city to take  
21 over a State Park operation inclusively, for the benefit  
22 of them, I know relative to capital improvements and the  
23 like. Specifically, those Parks that we utilize the  
24 revenues as an Agency to help, would be taken away. That  
25 is problematic.

1           The issue of the restoration of the Heritage  
2 Fund is a bit of a red herring. Actually, it's a  
3 combination of Resolution No. 13 and it's been provided  
4 in 12. It was sponsored -- is sponsored by the City of  
5 Yuma and the City of Sedona. It's my -- I would assume  
6 that they -- that the original sponsor of No. 12 and the  
7 sponsor of No. 13 were combined. I don't see any reason  
8 why Sedona would sign up for the long-term lease,  
9 although they would benefit from the resurgence of the  
10 Heritage Fund.

11           There are a number of towns and cities that are  
12 also signed on as co-sponsors. But at this point, we at  
13 State Parks have identified this as potential -- for  
14 potential legislation to have a negative impact on  
15 Arizona State Parks.

16           MR. CHAIRMAN: Any questions of the Board?  
17 Board Members, do you have any questions or comments?

18           MS. DAGGETT: Ms. Chairman, this is Kay  
19 Daggett. I just have a couple of questions if I may. In  
20 the proposed and effect of the Resolution where it says  
21 "Provide dedicated funding mechanisms to support the  
22 Parks," if there's an agreement between municipalities  
23 and State Parks for these leases, why would the State  
24 provide municipalities dedicated funding and not State  
25 Parks?

1 MR. MARTYN: Mr. Chairman and Ms. Daggett, the  
2 issue of the lease is somewhat open-ended, where they  
3 would take all -- I'm not saying they would get money  
4 from the State to operate these Parks, but they would  
5 have the ability to take any revenues above and beyond  
6 operating expenses if they have total control of the  
7 lease. That is problematic in itself.

8 For example, Lake Havasu State Park, if the  
9 Town of Lake Havasu were to take over the Park, the State  
10 Park system would be -- would lose out on about \$400,000  
11 worth of positive cash flow, which is spread throughout  
12 the Parks.

13 We currently have a method in place already  
14 (indiscernible) and agreements to operate Parks in  
15 conjunction with cities, but we don't give total control  
16 over to the City and that's what we're trying to avoid.

17 MS. DAGGETT: I understand. Thank you, Mr.  
18 Director. Mr. Chairman, I have another question, too, if  
19 I may.

20 MR. CHAIRMAN: Certainly. Just keep going.

21 MS. DAGGETT: Okay. In the second paragraph  
22 under "Purpose and Effect of the Resolution," where it  
23 says, "share in the financial support of the Parks." Is  
24 that a structured document as far as share in the  
25 support, or is that on an individual basis on how the

1 support of the Park and who deems everything that's  
2 necessary to support a Park?

3 MR. MARTYN: Mr. Chairman, Ms. Daggett, the  
4 opinion of staff is that an open-ended lease like that  
5 would place the onerous of what they want to spend their  
6 money on with the city or municipality. And they could  
7 potentially have a different agenda than the Arizona  
8 State Parks.

9 Again, we already have MOU's that allow  
10 municipalities to invest in these Parks. They just want  
11 the long-term insurance that we're going to do that and  
12 that they can operate these Parks.

13 Again, I go back to Yuma, which is a very good  
14 partnership with municipality for the two Parks. We have  
15 things in place. This just opens a whole can of worms.  
16 This has a potential to let these cities take our  
17 profitable Parks and that would as you all well know,  
18 sabotage the entire Agency.

19 MS. DAGGETT: Thank you, Mr. Director. Those  
20 were the two questions that really pertained to the long-  
21 term leases. If we want to finish that first and then  
22 move into the Heritage Fund, I'll hold (indiscernible).

23 MR. CHAIRMAN: Why don't you keep just going,  
24 Kay, while you know, ask all of your comments.

1 MS. DAGGETT: Okay. Then in referencing the  
2 Heritage Park Funds, is the Heritage Park Funds solely  
3 for State Parks, or is it also local Municipal Parks?

4 MR. MARTYN: Mr. Chairman and Ms. Daggett,  
5 Heritage Funds are distributed through a grant process  
6 and many municipalities apply for and are awarded those.  
7 And you know, Heritage Funds was taken away at the State  
8 Park level, and those funds, those lottery dollars are  
9 being utilized to pay off bonds.

10 The State Parks takes no position at this time  
11 on that, especially relative to the Governor's lack of a  
12 position. Although we'd love to have Heritage back, it  
13 does a lot of good things, the Board has not determined  
14 one way or the other if they're going to take a position  
15 on Heritage Fund.

16 MS. DAGGETT: Thank you. And if the leases are  
17 -- any considerations for the leases, any partnership,  
18 any Heritage Fund grants, who would actually be the over  
19 -- who would have oversight? Would that be State Parks?

20 MR. CHAIRMAN: Traditionally, State Parks has  
21 had oversight and was the Grantor of the Heritage Funds.  
22 And I don't see anything in this that would change that.  
23 The unfortunate thing about this is they never came and  
24 talked to us. We just discovered this late last week.



1 Means it would have been fixed, the language, if they had  
2 come and worked with us. But they didn't.

3 Traditionally, State Parks has had sole  
4 discretion, although they have a very elaborate grant  
5 process on the oversight and administration of the grant  
6 funds, of the Heritage Funds for Parks.

7 MS. DAGGETT: Thank you, Mr. Chairman. Then  
8 with regard to this Resolution, it just seems as the  
9 Director has noted, that it's very ambiguous, and at  
10 leaves a lot of concerns for further discussion.

11 MR. CHAIRMAN: Yeah. Okay.

12 MR. ARMER: This is Wally. Let me make just  
13 two brief comments. It's interesting at least three of  
14 the submitted by cities there, Kingman, Lake Havasu and  
15 Oro Valley, that's where -- I don't mean Kingman, I mean  
16 Yuma, Lake Havasu. But one of the things to keep in mind  
17 even if we for some reason were in favor of this  
18 proposal, is that many of our contracts -- be they  
19 leases, patents, what have you -- severely restrict who  
20 other than Arizona State Parks can operate the  
21 facilities.

22 MR. CHAIRMAN: Correct.

23 MR. ARMER: If it were to be determined that we  
24 no longer had control, I think there's probably an

1       excellent possibility we would lose those assets, as  
2       would the municipality involved.

3               MR. CHAIRMAN: I think that's absolutely  
4       correct.

5               MR. MARTYN: Mr. Chairman and Colonel Armer,  
6       you are absolutely correct on that. There are a number  
7       of restrictions relative to that as you're well aware  
8       when we were considering closing the Parks. It's almost  
9       the exact same thing if somebody else tries to take over  
10      the property.

11              I don't believe that the cities and towns are  
12      aware of the ramifications or limitations of the current  
13      Park system.

14              MR. EVERETT: Mr. Chairman, this is Alan.

15              MR. CHAIRMAN: Yes, sir, go forward.

16              MR. EVERETT: The Agenda item says we'll write  
17      a letter to the Board of Directors of the League with our  
18      opinions and feelings. One thought I had was sending a  
19      letter explaining that while the State Parks has been  
20      through very difficult times in the past, all the Parks  
21      are open. We've got a great, great working relationship  
22      with a number of cities and towns. We've been able to  
23      keep the Parks open because we understand the economic  
24      value to the cities and towns, and that we're working on  
25      a number of initiatives to move the State Parks to a new

1 level of economic development and service to the  
2 communities, and that we respectfully ask them to table  
3 this while we work together, you know, over the next few  
4 months or something like that.

5 But I would not just send a letter saying we  
6 oppose this. I think we can phrase it in such a way that  
7 we're partners together and, you know, all of those kind  
8 of things.

9 MR. CHAIRMAN: Alan, would you be willing to  
10 make a motion to the effect of that a letter be sent to  
11 that effect?

12 MR. EVERETT: Sure, I will. I move that we  
13 send a letter to the Board of the League of Citizen Towns  
14 explaining -- a short explanation of the recent history  
15 of State Parks and explaining that we have a great  
16 partnership with cities and towns in Arizona, and through  
17 that partnership all of the Parks are open, and explain  
18 that initiatives are underway and we respectfully ask  
19 that they table this Resolution so that we can all work  
20 together to benefit State Parks and provide economic  
21 development for the cities and towns.

22 MS. DAGGETT: I'll second the motion.

23 MR. CHAIRMAN: Okay. I have just one question.  
24 Bryan, as I understand it from our talk earlier this

1 morning, that the Resolutions are being voted on  
2 tomorrow.

3 MR. EVERET: Thursday.

4 MR. CHAIRMAN: To the Board, or shall we send  
5 it to every city?

6 MR. EVERETT: It's Thursday, I think is the  
7 business meeting. I would just send it to the Board  
8 right now until you see --

9 MR. CHAIRMAN: Okay. We have a motion and a  
10 second then. Is there any further discussion?

11 MR. MARTYN: Mr. Chairman, Paul, the attorney,  
12 has a good comment if it's all right.

13 MR. CHAIRMAN: Paul?

14 MR. KATZ: Yes, this is Paul Katz with the  
15 Attorney General's Office. I think that as part of that  
16 motion we ought to designate whether it's Bryan or a  
17 Member of the Board to the person writing that letter.  
18 I'll be happy to review it with whoever writes it if you  
19 want to get legal advice or opinion regarding the  
20 contents of that letter.

21 But I think the motion also ought to include  
22 who it is, either on the Board or on staff, that would be  
23 designated to write that letter.

24 MR. EVERETT: I agree. This is Alan. Larry,  
25 can I?

1 MR. LANDRY: Sure.

2 MR. EVERETT: I would suggest and make an  
3 addendum to the motion that we have the Board, Mr.  
4 Chairman and the Executive Director of State Parks sign  
5 the letter.

6 MR. MARTYN: Mr. Chairman, this is Bryan. Mr.  
7 Everett, although I don't disagree at all. I need to  
8 remember that I don't have an opinion one way or the  
9 other from the Governor's office relative to this  
10 Resolution, and as a signatory, would be incumbent upon  
11 me to check with the Governor's office relative to any  
12 position.

13 MR. EVERETT: I understand and I revised my  
14 amendment to say that the letter should be signed by the  
15 Chairman of State Parks.

16 MR. ARMER: This is Wally. I agree and second.

17 MR. CHAIRMAN: All those in favor?

18 BOARD MEMBER: Mr. Chairman?

19 MR. CHAIRMAN: Yes.

20 MR. CARDIN: Can I make one comment? This is  
21 R.J.

22 MR. CHAIRMAN: Yes.

23 Mr. CARDIN: I'm in full agreement with what  
24 Alan had said. The only thing I'm wondering is, do we  
25 cover the Heritage Fund in that motion, and should we add

1 something into that motion to include either our support  
2 or not of the Heritage Fund component of that? Because  
3 that was -- sounds like two resolutions that were put  
4 into one.

5 MR. CHAIRMAN: Yeah. Well, R.J., that's a good  
6 point. We're already on record from previous Board  
7 action of supporting restoration of the Heritage Fund. I  
8 guess my only thing is I don't know that we need to  
9 reaffirm that. I'm certainly willing to personally. But  
10 I think -- I don't want to send an unambiguous message.  
11 I mean, I think the first part is egregious enough. I  
12 would like to keep it short and sweet. Essentially,  
13 we're not supporting it as written and here are some of  
14 our concerns. I don't think anyone would doubt our  
15 support for the Heritage Fund, but I'll defer to the will  
16 of the Board.

17 MR. ARMER: This is Wally. I don't think it  
18 needs to be included either. I think quite frankly  
19 that's nothing but to try and make it (indiscernible) so  
20 we could buy off on it. I don't think that has anything  
21 to do with the real intent of the Resolution.

22 MR. CHAIRMAN: Okay. Well, I then have a  
23 motion and a second. Any further discussion? All those  
24 in favor?

25 (Chorus of "ayes.")

1                   MR. CHAIRMAN: Any oppose? Motion is  
2 unanimous. Do we have any other business before the  
3 Board?

4                   MR. ARMER: I would -- this is Wally again. I  
5 would just add one thing and maybe it shouldn't be in the  
6 letter at this time, but I'll leave that up to whoever is  
7 drafting it, about the fact that quite frankly,  
8 addressing the contracts or the patents or leases we have  
9 and how it could jeopardize the future existence of the  
10 Park regardless of who is managing it, maybe that doesn't  
11 need to be in it at this point. That's for further  
12 discussion. But it's certainly something for us to keep  
13 in mind, and that any discussions that anybody has with  
14 him at some point, they need to be made aware of that if  
15 they're not already, which I seriously doubt they are.

16                  MR. CHAIRMAN: Yeah, okay. Very good. Thank  
17 you. I don't have the Agenda in front of me. Mr.  
18 Director, will you go through the next item?

19                  MR. MARTYN: Mr. Chairman, Item F includes the  
20 time and place and calls for future Agenda items. The  
21 next State Parks meeting is September 18 here at the  
22 Board Room at 10:00.

23                  Is there anything at this time that the Board  
24 would like to ensure that we add to the next Board  
25 meeting that we haven't already identified?

1 BOARD MEMBER: No, I'm good.

2 MR. CHAIRMAN: Actually, the Agenda -- the  
3 Board meeting will actually start earlier because we have  
4 to have an Executive Session. We have to start a Board,  
5 then adjourn into Executive Session, then come back,  
6 right?

7 MR. MARTYN: Correct, Mr. Chairman. But that's  
8 not the public portion of the Board. That's just the  
9 Executive Session.

10 MR. CHAIRMAN: No. You have to first -- Kelly,  
11 I believe, the attorney can correct me if I'm wrong. We  
12 have to open in public session and adjourn to Executive  
13 Session, and then adjourn out of Executive Session back  
14 to public.

15 MR. MARTYN: Right.

16 MR. CHAIRMAN: Is that right, Paul?

17 MR. KATZ: That is correct.

18 MR. CHAIRMAN: So we actually have to post the  
19 meeting starting, but we can say the Board intends to go  
20 into Executive Session at 10:00 -- I mean at 9:00, and  
21 the public portion starts at 10:00. But we have to post  
22 the meeting starting at 9:00, don't we, Paul?

23 MR. KATZ: Yes, we have to post the meeting  
24 starting at 9:00 and you can just have the usual language  
25 that it can be made over to Executive Session, or you can



1       in fact state that we are going to go into Executive  
2       Session from 9:00 to 10:00, and that the public will  
3       begin at 10:00. But normally we would just post it for  
4       either 9:00 and 10:00 and then go into Executive Session,  
5       so that if that doesn't take long, you can get the public  
6       portion of the meeting started without delay.

7               MR. MARTYN: We can start it whatever time you  
8       wish, Mr. Chairman. The language regarding Executive  
9       Session is always at the top of the Agenda.

10              MR. CHAIRMAN: Okay. So well, I'll ask Kay and  
11       Wally, what time do you want to start, since you have the  
12       longest trips?

13              MR. ARMER: It depends on how much you've got  
14       to cover in Exec Session. I really don't have a good  
15       handle on that.

16              MR. CHAIRMAN: I know of a couple of items, but  
17       I don't know how long they'll take. Let's say 9:00 then.

18              MS. DAGGETT: Mr. Chairman, that would be fine.  
19       I can come up and spend the night the night before.

20              MR. CHAIRMAN: Great. Thank you. Is there any  
21       other business to come before the Board? I want to thank  
22       you for such short notice and then we are adjourned.

23              MR. ARMER: I do have one -- this is Wally.  
24       Bryan, would you give me a quick holler when we're

1 through here. I've got a couple of questions for you ever  
2 so briefly?

3 MR. MARTYN: Yes, sir, I'll call you within the  
4 next five minutes.

5 MR. ARMER: Okay. Thank you.

6 MR. CHAIRMAN: Having -- I don't believe I need  
7 a motion to adjourn. I will just declare the meeting  
8 adjourned.

9 MS. DAGGETT: Thank you, Mr. Chairman and good-  
10 bye.

11 (Chorus of good-byes)

12  
13 (End of recording)

## 1 CERTIFICATION

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8 I further certify that I am in no way related to any  
9 of the parties and that I am not in any way interested in  
10 the outcome thereof.

11 Dated this \_\_\_\_\_ day of November 2013.

12  
13  
14 /s/ Dawn Archambo

15 Dawn Archambo

16 Certified Electronic Transcriber No. 00231

17  
18 Revisions made on January 28, 2014 by:

19  
20 /s/ Angela F. Miller

21 Angela F. Miller, RPR, CR (AZ50127)

22 Certified Reporter  
23